

**SELECTION OF CONTRACTOR  
FOR  
JOINT BASE OPERATIONS AND SUPPORT CONTRACT**

On August 17, 1998, I met with members of the Source Selection Advisory Council (SSAC) and the Source Evaluation Board (SEB) that were appointed to evaluate proposals for the Joint Base Operations and Support Contract (J-BOSC).

**PROCUREMENT DESCRIPTION**

The objective of this procurement is to acquire a broad range of base operations services for the Kennedy Space Center (KSC), Cape Canaveral Air Station (CCAS), and Patrick Air Force Base (PAFB). More specifically, the J-BOSC will encompass management, operation, maintenance and engineering for KSC and CCAS facilities/systems/equipment/utilities (F/S/E/U), certain technical and administrative operations for KSC, CCAS and PAFB, and medical, fire and security services for KSC and CCAS. Pursuant to agreement from each agency's headquarters, the joint acquisition was pursued as a NASA contract. Further, agency officials before and at the joint acquisition strategy meeting directed and authorized KSC and the 45<sup>th</sup> Space Wing (45 SW) to follow the NASA acquisition procedures modified to incorporate (1) the Air Force use of color ratings for mission suitability (in lieu of scoring), (2) an independent performance risk assessment group (PRAG) to assess a performance confidence level for each offeror based upon past and present performance, and (3) a source selection advisory council (SSAC). All necessary Federal Acquisition Regulation (FAR) and NASA FAR Supplement deviations and acquisition approvals were obtained prior to release of the final request for proposals (RFP).

A Cost Plus Award Fee contract is contemplated. The base period of performance is five years, and there is a single option to extend the period of performance for another five years. Additionally, certain identified services/support requirements at CCAS and PAFB are to transition into the J-BOSC during the first four years of its performance. The J-BOSC also includes additional priced options providing for (1) continuation of communication support for NASA-KSC administrative and institutional management, (2) calibration services for the Eastern Range Site's Precision Measurement Equipment Laboratory (PMEL), (3) laboratory and in-place calibration services to support future NASA payload processing contractor(s), and (4) aerospace ground equipment (AGE) maintenance and transient alert services at PAFB.

Beginning in October 1997, a draft RFP was incrementally published on the world wide web for industry comment. An industry briefing attended by approximately 70 companies was held on October 9

1997. This briefing was followed by site visits to the KSC, CCAS and PAFB on October 9 and 10, 1997. An observation period was open to all potential competitors from October 20, 1997 through January 30, 1998, to enable interested companies to observe pertinent operations and to assess the conditions of facilities. The final RFP for this effort was issued on December 12, 1997.

Proposals were received from two offerors, both joint ventures. The two joint venture offerors and their constituent joint venture members are:

**The Launch Support Company, L.C. (LSC), Cape Canaveral, FL**

EG&G Florida, Inc.

Johnson Controls World Services, Inc.

**Space Gateway Support (SGS), Herndon, VA**

Northrop Grumman Technical Services, Inc.

ICF Kaiser Defense Programs, Inc.

Wackenhut Services, Inc.

**EVALUATION PROCEDURES**

Prior to the issuance of the final RFP, the SEB developed detailed evaluation criteria and completed its Source Evaluation Plan (SEP) setting forth the evaluation procedures to be followed. The RFP prescribed three evaluation areas, consisting of a Mission Suitability Factor, a Cost Factor, and a Past Performance Factor. Mission suitability was composed of the following two subfactors and their indicated elements:

- Management
  - Management Approach
  - Business Approach
- Technical Performance
  - Supportability
  - Customer Support

The RFP contained explanations of the factors, subfactors, and elements and specified the relative importance of the factors and subfactors. The RFP established that the factors of Mission Suitability, Cost, and Past Performance are equally weighted to one another. As to the relative weights of the non-cost/non-price factors to the cost/price factor, the RFP additionally reflected that Mission Suitability and Past Performance together are of greater weight than Cost alone. Within the Mission Suitability factor,



the Management subfactor is of greater weight than the Technical Performance subfactor. The elements under the subfactors were not specifically weighted in the RFP. Therefore, the elements within each mission suitability subfactor are given equal weight within their respective subfactor in the evaluation and selection process. In the area of Mission Suitability, colors and their adjectival definitions, in lieu of numerical scoring, were used to reflect the evaluation results. Colors and their associated adjectival definitions were assigned at the mission suitability subfactor and element levels only. In addition, the SEB assigned a proposal risk at each subfactor level.

For the cost factor, the evaluation focused on the validity, realism, and adequacy of each proposal and the probable cost that would be incurred in performance of the J-BOSC. Under this factor, the SEB also evaluated cost differences between the proposals and their causes, such as differences in business methods and operating procedures and practices.

For the past performance factor, a review of each offeror's relevant past and present performance was made to assess a level of confidence in the offeror's ability to successfully perform the requirements under the J-BOSC. The evaluation of past performance specifically took into account the joint venture offerors' principals and certain significant subcontractors. The RFP set forth five areas of particular attention within the past performance factor, including management, technical, cost, subcontract management, and labor relations. Performance data were collected from the offerors and identified contract reference sites. Adjective ratings in the areas of particular attention were assigned, followed by assignment of final overall adjective ratings for each offeror. These final overall ratings indicate the assessed level of confidence for each offeror's successful performance on the J-BOSC and the expected level of government oversight or intervention required to achieve the level of performance stated in the past performance assessment ratings' definitions.

The SEB appointed committees, the balance of the members of the PRAG, and Government consultants from appropriate disciplines to evaluate, or assist in the evaluation of, assigned portions of the proposals within their respective areas of expertise and to identify strengths and weaknesses of each proposal, with a recommended assessment. Using the analyses of these committees and advisors, the predetermined evaluation criteria, and their own judgments, the SEB assessed the strengths and weaknesses of each proposal. Following initial evaluation, both offerors were included within the competitive range. Written and oral discussions were conducted with each of the two offerors, after which a final proposal revision (FPR) (including a proposed model contract signed by the offeror) was requested from each offeror to be submitted by a common cut-off date.

After receipt of the offerors' FPRs, the SEB utilized committee assessments of the revised proposals, information acquired during written and oral discussions, and its predetermined evaluation criteria in

identifying remaining or additional strengths and weaknesses in each proposal. The PRAG completed its final assessment of performance confidence based on information previously obtained, and as supplemented during written and oral discussions, and presented its assessment to the SEB. In mission suitability, the SEB applied the predetermined definitions, standards, and color system to produce a mission suitability color and adjective, along with a proposal risk assessment, at each of the mission suitability's two subfactor levels. The SEB, assisted by information provided by the Business and Mission Suitability committees, assessed the probable cost of doing business with each offeror.

The SEB reported its findings to the appointed source selection advisory council (SSAC) on August 12, 1998. The SSAC conducted its comparative analysis and identified issues and findings considered by it to be significant to my decision. The SSAC's comparative analysis and findings were included in its SSAC report. Both the SEB and SSAC reported their findings to me at the August 17 meeting.

### **MISSION SUITABILITY EVALUATION**

The following is the substance of the SEB's evaluation of the proposals regarding mission suitability

#### **LSC**

The LSC proposal received the highest mission suitability rating of "Exceptional" or "Blue" in each of the two subfactors and in the two elements under each of the subfactors. LSC's rating was superior to that of SGS in one of the two subfactors (Technical Performance) and in one element under each of the two subfactors, i.e., in Business Approach and in Supportability. Major strengths in LSC's proposal include a key personnel team extensively qualified in base operations support, a strong organizational structure with well-defined authority and control, a total work management system that enhances LSC's ability to provide required services and data, LSC's focused O&M program, and an enhanced customer service approach. The proposal risk for each of the two subfactors was rated as "Low." The SEB found no major weaknesses in the LSC proposal.

#### **SGS**

The SGS proposal received the highest mission suitability rating of "Exceptional" or "Blue" in the more important of the two subfactors, Management, and in one element under each of the two subfactors, i.e., Management Approach (under Management) and Customer Support (under Technical Performance). While receiving a "Blue" at the higher Management subfactor level, the SGS proposal received a rating of "Acceptable" or "Green" for the Business Approach element under that subfactor. SGS received a rating of "Marginal" or "Yellow" for the Technical Performance subfactor and for the Supportability element under that subfactor. Major strengths in SGS' proposal include its proactive approach to continuous improvement and an enhanced approach to meeting customer needs. The proposal risks were rated as



“Low” for the Management subfactor and “Moderate” for the Technical subfactor. The SEB found no major weaknesses in the proposal.

## **COST**

The cost evaluation was based on each offeror’s proposed cost for the basic five-year performance period, together with its proposed costs for the optional five-year extension and the additional options for (1) continuation of communication support for NASA-KSC administrative and institutional management, (2) calibration services for the Eastern Range Site’s Precision Measurement Equipment Laboratory (PMEL), (3) laboratory and in-place calibration services to support future NASA payload processing contractor(s), and (4) aerospace ground equipment (AGE) maintenance and transient alert services at PAFB. The SEB’s cost evaluation included its assessment of each cost proposal’s validity, realism and adequacy for the work proposed and the most probable cost of each proposal. The SEB also examined cost differences between proposals and their probable causes. Finally, the SEB also made its assessment of the government’s most probable cost for each offer. Included within these assessments were adjustments to compensate for any deficiencies or omissions.

In the initial proposals, SGS’ proposed cost was lower than that proposed by LSC. After probable cost adjustments on the initial proposals, SGS remained lower in cost than LSC.

In their respective FPRs, SGS significantly increased their proposed cost, while LSC increased their proposed cost by a somewhat lesser amount. SGS’ final proposed cost remained lower than the LSC’s final proposed cost. In arriving at the SGS probable cost, the SEB made adjustments to SGS’ proposed cost to adjust for resources judged to be inadequate in the areas of transportation and work order support and to take general and administrative (G&A) costs to the G&A ceiling. The SEB’s probable cost adjustment to the LSC proposal was to take the G&A costs to the G&A ceiling. After probable cost adjustments to each offeror’s final proposed cost, SGS remained lower in cost than LSC.

The SEB reported a “High” level of confidence in its assessment of the probable costs of each proposal.

## **PAST PERFORMANCE**

With respect to past performance, the SEB assessed its level of confidence in each offeror’s successful performance of J-BOSC requirements based on past and current contract performance. Ratings on this factor are based upon the composite ratings of the joint venture offerors’ teaming partners and certain significant subcontractors, since neither joint venture had any history or past performance together as a joint venture team.

SGS received the highest available rating in the past performance factor, with a “Great Confidence” assessed at the overall factor level. Within the areas of particular attention specified in the RFP, SGS received assessments of “Great Confidence” in four of the five areas (Management, Technical, Subcontract Management, and Labor Relations). The assessment of “Confidence” for SGS in the Cost area relates to limited instances of late or inadequate data and utilization of dated cost-related processes at scattered sites. Overall as to cost, the SGS teaming partners were found predominately to be cost-conscious and within budget and, at some sites, consistently under-running. Further, there was no indication of cost overruns on any of the cost reimbursement contracts assessed. The SEB’s assessment indicates that SGS has demonstrated performance, on recent, relevant contracts, which provides great confidence that SGS, if awarded the contract, will meet or exceed requirements in performing the J-BOSC, with little or no government oversight or intervention required for SGS to achieve the proposed level of performance.

LSC received the second-highest available rating in the past performance factor, with a “Confidence” assessed at the overall factor level. Within the areas of particular attention specified in the RFP, LSC received assessments of “Great Confidence” in three areas (Technical, Cost, and Subcontract Management). In the remaining areas of Management and Labor Relations, LSC received an assessment of “Confidence.” In reaching the overall “Confidence” rating, the SEB’s assessment indicates that LSC has demonstrated performance, on recent, relevant contracts, which provides confidence that LSC, if awarded the contract, will meet requirements in performing the J-BOSC, although it is expected that some government oversight or intervention in contract administration may be required to meet contract requirements, particularly in the areas of management and labor relations.

At the conclusion of the SEB report, the SSAC’s comparative analysis and findings were reported to me. In reaching my decision, I considered both the SEB’s evaluation and findings and the SSAC’s comparative analysis and findings.

### **DECISION**

It is my determination that the SGS proposal represents the best value to the government. SGS’ significantly lower cost and its past performance rating of “Great Confidence” more than off set its “Marginal” rating in the lower of the two mission suitability subfactors.

As to the past performance factor, the assessment of SGS, both overall and in four of the five areas identified in the RFP for special attention (i.e., Management, Technical, Subcontract Management, and Labor Relations), as “Great Confidence” recognizes that the SGS principals/team members have provided contracting agencies seamless operations not encumbered with peripheral issues detracting from the agencies’ missions. I particularly noted that the SGS Past Performance Cost assessment as a



“Confidence” was based upon limited instances of late or inadequate data submissions and/or dated cost-related processes at some contract sites; it was not driven by any indication of cost overruns. The overall past performance rating indicates that the SGS team members have demonstrated consistent performance on recent, relevant contracts which provides “Great Confidence” that SGS will meet or exceed requirements in performing the J-BOSC. The overall assessment of SGS in the past performance factor further indicates an expectation that little or no government insight or intervention will be required in achieving the proposed level of performance. In contrast, LSC’s past performance, both overall and in two of the five areas of special attention (Management and Labor Relations), was assessed as “Confidence.” This rating, along with the past performance data, reflects that the LSC team members have demonstrated performance on recent, relevant contracts which provides confidence that LSC will meet contract requirements. However, LSC’s overall assessment as “Confidence” indicates that it is expected that some government oversight or intervention may be required to meet J-BOSC requirements, particularly in the areas of Management and Labor Relations. Based upon my analysis, I conclude that there is a clear distinction between the two offerors’ past performance ratings, with SGS providing the higher benefit.

In the mission suitability factor, I noted that the government’s expectations reflected in the RFP set the evaluation standards for each of the elements at a very high level. Both proposals offered the government substantial benefits and competitive approaches consistent with the government’s heightened level of expectations and stated objectives, some by meeting the RFP’s stated requirements and others by exceeding them. Although the proposals reflect differing strengths and mission suitability ratings under the evaluation criteria, I find that both proposals met or exceeded performance requirements under the RFP.

Within the mission suitability factor, both offerors were rated “Exceptional” or “Blue” in the more important of two subfactors, i.e., Management. Although LSC was found by the SEB to have the stronger key personnel team and the better organizational cohesion of the two offerors, SGS also exceeded the evaluation standard for the Management Approach element with its proactive approach to continuous improvement and its strong management team and organizational structure. In my review of the mission suitability ratings, I find that the primary distinction in the offerors’ proposals lies within the Technical Performance subfactor. Within Technical Performance, the difference in subfactor rating originated in the Supportability element, since both offerors received an “Exceptional” or “Blue” rating in this subfactor’s only other element, “Customer Support,” with no discernible differences. I carefully examined the findings and rationale behind each offeror’s Supportability element rating. First, I made note of the identified benefits reflected in the LSC proposal and its “Exceptional” or “Blue” rating in the Supportability element. I examined each minor weakness related to SGS’ “Marginal” or “Yellow” rating in Supportability and conclude that each of these relate to minor and easily correctable imperfections in

SGS' proposal. Further, I examined the proposal risk assessments assigned to each offeror in the two mission suitability subfactors. SGS' minor weaknesses associated with Supportability and their "Moderate" proposal risk in Technical Performance generally relate to limited and less complex areas of the J-BOSC requirements; these are also correctable through certain resource realignments and application of additional resources within those contemplated in the government's probable cost adjustments. SGS' past performance history, its strong management team and exceptional management approach, and the contract's 23-day phase-in period provide me with additional confidence in SGS' ability to make the necessary corrections within the probable cost, with little performance impact and minimal government involvement.

As to the cost factor, SGS is substantially lower in proposed cost than LSC. Probable cost adjustments were made to the SGS proposed cost in limited areas and to LSC's proposed cost in a single area to arrive at each proposal's most probable cost to the government. After probable cost adjustments to each proposal, SGS remains lower than LSC by approximately 4 % or \$91 million less in costs over the ten-year period of performance. The SEB expressed a High level of confidence in each proposal's probable cost. I examined the various elements involved in the probable cost adjustments and concluded that the probable cost adjustments were justified and that the SGS proposal represents the lowest probable cost to the government. SGS is also rated higher in the past performance factor. SGS not only has better ratings in both the cost and the past performance factors, it was also found to be "Exceptional" or "Blue" in Management, the more important of two mission suitability subfactors, and in one of two elements in the Technical Performance subfactor. After considering the relative proposed and probable costs between the two offers, I concluded that any additional benefits to the government from LSC's stronger Supportability element did not outweigh the significant cost premium which would result from awarding to the higher cost offer. The difference in this one element of the Technical Performance subfactor ratings and the slight benefit to the government from LSC's other identified strengths in the mission suitability factor, one of three equally-weighted factors, over those offered in the SGS proposal fail to provide sufficient justification for the increase in costs. In the aggregate, any benefits to the government from LSC over those offered by SGS fail to off set the additional cost which would result from an award to LSC.

I find that the SGS proposal offers the best value to the government based on SGS' significantly lower cost, higher confidence assessment, and noted strengths. Finally, any minor risks and the inevitable learning curve in awarding to SGS, as a non-incumbent, are well worth the cost savings which will accrue to the government's benefit.



Accordingly, I choose Space Gateway Support for award of the Joint Base Operations and Support Contract.

  
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Roy D. Bridges, Jr.

Director

John F. Kennedy Space Center  
Source Selection Authority

8-21-98  
Date